

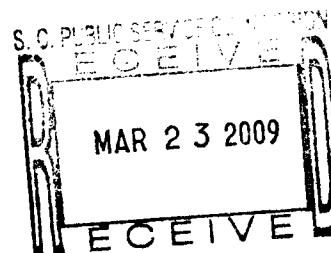
215903



Charles G. Blackburn
Direct dial 803-454-1208
cblackburn@murphygrantland.com

2009-1324/s

March 20, 2009



Mr. Charles Terreni, Esquire
Chief Clerk and Administrator with
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, SC 29210

Re: AAA Well Drilling, Inc.
M&G File No.: 1920-0047

Dear Mr. Terreni:

I represent AAA Utilities, Inc. My client is selling the utilities in the following sub-divisions.

1. Huntington Park;
2. Mill Pond;
3. Ironstone;
4. Southern Pines; and
5. Shealy Estates.

My client is selling the systems to the Joint Municipal Water and Sewer Commission. The Asset Purchase Agreement agreed to between my client and the Joint Municipal Water and Sewer Commission is included within the documents I am sending to you with this letter. We have not executed the enclosed asset purchase agreement because we need approval from your office to transfer the existing utilities to the Joint Municipal and Water Sewer Commission.

In our efforts to transfer the systems to the Joint Municipal Water and Sewer Commission, I have applied for a Water/Sewer Transfer Check list and have gathered the documents required by the Office of Regulatory Staff to satisfy its requirements for the transfer of the above referenced sub-division utilities.

I am enclosing documents that satisfy numbers, 1, 6, 8, 15 & 16. As for item number 12, my client's performance bond is in place and current. I have confirmed the necessary items with Mr. Willie Morgan of the Office of Regulatory Staff and have enclosed the documents his office required for the transfer. I am enclosing documents and sending them to your office for approval of the transfer.

The Joint Municipal Water and Sewer Commission is anxious to complete this transaction and I would respectfully request the Commission waive a hearing and decide the transfer matter during its weekly meeting. The Town of Lexington is also anxious to finalize the agreement between my client and the Joint Municipal Water and Sewer Commission.

Telephone 803-782-4100 • Facsimile 803-782-4140 / 803-454-1258
4406-B Forest Drive, Columbia, South Carolina 29206 • Post Office Box 6648, Columbia, South Carolina 29260

Please let me know if the enclosed documents meet with your approval and when you will be able to accommodate my request for an expedited hearing to approve this transfer.

I thank you in advance for your consideration and help with this matter on behalf of my client and look forward to speaking with you at your earliest convenience.

With best regards, I am,

Sincerely,

Charles G. Blackburn

CGB/tmo
Enclosures

Cc: Ed Swearingen
Jay Swearingen

C DUKES SCOTT
EXECUTIVE DIRECTOR

1501 Main Street, Suite 900
Columbia, SC 29201



DAN F. ARNETT
CHIEF OF STAFF

Phone: (803) 737-0800
Fax: (803) 737-0801

DAWN M. HIPP
DIRECTOR

TELECOMMUNICATIONS, TRANSPORTATION, WATER/WASTEWATER

WATER/SEWER UTILITY TRANSFER CHECKLIST

Company AAA UTILITIES, INC

Docket No. _____

- ☒ 1. Copy of articles of incorporation or partnership agreement.
- ☐ 2. Plat of proposed area to be served. Red Bank Area
- ☐ 3. Copy of engineering plans and specifications designed or certified to be in accord with good engineering practices by a professional engineer registered in South Carolina.
- ☐ 4. Signed transfer agreement or purchase agreement.
- ☐ 5. Construction permits from the Department of Health and Environmental Control approving engineering plans and specifications, if applicable.
- ☒ 6. If existing rates are to be used, schedule of rates and charges for all services RATES TO REMAIN SAME FOR 1 Year
- ☒ 7. If new rates are being requested, schedule of proposed rates and charges and cost justifications, including tap fees with attached schedule depicting labor costs, materials costs, and miscellaneous costs.
- ☒ 8. Number of customers proposed to be served including applicable customer classification and capacity of system. Huntington Park 191 current + 10
mill Pond 66 current + 3
Ironstone 42 current
Southern P 32
Shealy Estates 20 current + 10
- ☐ 9. Financial statement showing proposed plant investment by categories.
- ☐ 10. Depreciation schedule by categories of plant assets and average service lives.
- ☒ 11. Pro-forma income and expense statement showing the effect of using the proposed rates based on plant capacity.
- ☐ 12. Filing of performance bond in accordance with R.103-712.3. and R.103-512.3.

C DUKES SCOTT
EXECUTIVE DIRECTOR

1401 Main Street, Suite 900
Columbia, SC 29201



Phone: (803) 737-0800
Fax: (803) 737-0801

DAN F. ARNETT
CHIEF OF STAFF

DAWN M. HIPF
DIRECTOR

TELECOMMUNICATIONS, TRANSPORTATION, WATER WASTE/WATER

- _____ 13. Statement by a professional engineer that the system was built and installed according to plans and specifications on file with the Commission and will furnish adequate service for the area to be served.
- OR-
- _____ 14. Letter from the Department of Health and Environmental Control approving system for operation, dated not more than six (6) months prior to date of application.
- ✓
_____ 15. Customer bill form.
- ✓
_____ 16. Operations manual and/or business plan document ability to comply with SC Code of Regulations Chapter 103 Article 5 and/or Article 7 requirements.
- _____ 17. Other pertinent or relevant information determined necessary by the Commission.

STATE OF SOUTH CAROLINA
SECRETARY OF STATE
ARTICLES OF INCORPORATION

OF

AAA Utilities, Inc.

(File This Form in
Duplicate Originals)

(Sect. 33-7-30 of 1976 Code)

(INSTRUCTIONS ON PAGE 4)

This Space For Use By
The Secretary of State

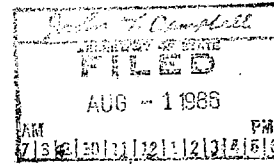
For Use By
The Secretary of State

File No.

Fee Paid \$

R. N.

Date



- The name of the proposed corporation is AAA Utilities, Inc.
- The initial registered office of the corporation is 1019 Renord Circle
located in the city of West Columbia, county of Lexington and
the State of South Carolina and the name of its initial registered agent at such address is
Joseph Edward Swearingen
- The period of duration of the corporation shall be perpetual (..... years).
- The corporation is authorized to issue shares of stock as follows:

Class of shares	Authorized No. of each class	Par Value
Common	100,000	\$ 1.00
.....
.....
.....
.....
.....

If shares are divided into two or more classes or if any class of shares is divided into series within a class, the relative rights, preferences, and limitations of the shares of each class, and of each series within a class, are as follows:

Date AUG - 1 1986
CERTIFICATE TO BE FILED AND CORRECT COPY
AT THE OFFICE OF THE SECRETARY OF STATE
ORIGINAL TO BE IN THIS OFFICE.
John T. Campbell
SECRETARY OF STATE OF SOUTH CAROLINA

- Total authorized capital stock 100,000
Please see instructions on Page 4.
- The existence of the corporation shall begin as of the filing date with the Secretary of State ~~xxxxxx~~
xxxxxx
- The number of directors constituting the initial board of Directors of the corporation is
and the names and addresses of the persons who are to serve as directors until the first annual meeting of
shareholders or until their successors be elected and qualify are:

Joseph Edward Swearingen

Name

1019 Renord Circle, W. Cola., 29169

Address

Name

Address

Name

Address

Name

Address

Name

Address

STATE OF South Carolina

COUNTY OF Richland

The undersigned Joseph Edward Swearingen

do hereby certify that they are the incorporators of Corporation and are authorized to execute this verification; that each of the undersigned for himself does hereby further certify that he has read the foregoing document, understands the meaning and purport of the statements therein contained and the same are true to the best of his information and belief.

Joseph Edward Swearingen
(Signature of Incorporator)

(Signature of Incorporator)

(Signature of Incorporator)
(Each Incorporator Must Sign)

11. I, Alice D. Potter, an attorney licensed to practice in the State of South Carolina, certify that the corporation, to whose articles of incorporation this certificate is attached, has complied with the requirements of chapter 7 of Title 33 of the South Carolina Code of 1976, relating to the organization of corporations, and that in my opinion, the corporation is organized for a lawful purpose.

Date 7/30/86

Alice D. Potter
(Signature)

Alice D. Potter
(Type or Print Name)

Address 408 Barringer Building
Columbia, SC 29201

SCHEDULE OF FEES

(Payable at time of filing Articles of With Secretary of State)

Fee for filing Articles	\$ 5.00
In addition to the above, \$.40 for each \$1,000.00 of the aggregate value of shares which the Corporation is authorized to issue, but in not case less than nor more than	40.00 1,000.00

NOTE. THIS FORM MUST BE COMPLETED IN ITS ENTIRETY BEFORE IT WILL BE ACCEPTED FOR FILING.
THIS FORM MUST BE ACCOMPANIED BY THE FIRST REPORT OF CORPORATIONS AND A CHECK IN THE AMOUNT OF \$10 PAYABLE TO THE SOUTH CAROLINA TAX COMMISSION.
Please see instructions on the reverse side.

STATE OF SOUTH CAROLINA
OFFICE OF THE SECRETARY OF STATE
JOHN T. CAMPBELL

INSTRUCTIONS FOR PREPARING ARTICLES OF INCORPORATION

- No. 1 **Name** -- must **NOT** be similar to existing corporation. The name must also contain the word **CORPORATION, INCORPORATION, LIMITED** or the abbreviation of one of these.
- No. 2 Must have a complete street address (A POST OFFICE BOX IS NOT ACCEPTABLE) and it may be the address of the corporation or one of its officers.
The **agent** may be an officer or employee of the corporation or it may be an attorney.
- No. 3 Self explanatory.
- No. 4 **Class of shares** -- must be common and may include some preferred.
Authorized Shares -- is the number of shares which the corporation may issue.
Par Value -- will be the value of each share to be sold.
- No. 5 **Authorized capital** -- is equal to number of shares times par value as shown by No. 4.
- No. 6 Self explanatory.
- No. 7 Name and **complete** address (street or box number) for the initial board of directors.
- No. 8 Must briefly state the **SPECIFIC** purposes for which the corporation is organized.
- No. 9 Usually not used.
- No. 10 Must have name and address (street or box number) of **EACH** incorporator (may be one or more incorporators).
- No. 10 -Page 2. Each incorporator must sign.
- No. 10 -Page 3. Verification must be completed and signed by **EACH** incorporator.
- No. 11 **Certificate of attorney** -- must be signed by an attorney **LICENSED** to practice in the **STATE OF SOUTH CAROLINA**.

FEES -- Authorized capital **NOT** exceeding \$100,000, fee is \$45.

Authorized capital exceeding \$100,000, fee is **\$45 PLUS \$.40** for each \$1,000 exceeding \$100,000.
MAXIMUM FEE IS \$1,005.

When no par stock is used, a \$10 par is assumed for the basis of computing the filing fee.

NOTE-- These articles are filed in duplicate and must be accompanied by the first report of corporations and check of \$10, **MADE PAYABLE TO THE S. C. TAX COMMISSION.**

NAME AVAILABILITY SHOULD BE CLEARED IN WRITING. CLEARANCE BY TELEPHONE IS NOT RECOMMENDED AS IT IS NOT OFFICIAL.

.....
Name	Address
.....
Name	Address

8. The general nature of the business for which the corporation is organized is (it is not necessary to set forth in the purposes powers enumerated Section (33-3-10 of 1976 Code).

Water distribution for Huntington Park Subdivision, Red Bank, South Carolina;
general water distribution; and all other activities allowed by law.

9. Provisions which the incorporators elect to include in the articles of incorporation are as follows:

10. The name and address of each incorporator is.

Name	Street & Box No.	City	County	State
Joseph Edward Swearingen	1019 Renord Circle	W. Cola.	Lexington	SC

Date 7/30/86

Joseph Edward Swearingen
.....
(Signature of Incorporator)

Joseph Edward Swearingen
.....
(Type or Print Name)

.....
(Signature of Incorporator)

.....
(Type or Print Name)

.....
(Signature of Incorporator)

.....
(Type or Print Name)

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is made as of the _____ day of December, 2008 by and between AAA UTILITIES, INC. ("Seller") and JOINT MUNICIPAL WATER & SEWER COMMISSION ("Purchaser").

WHEREAS, Seller desires to sell and Purchaser desires to purchase certain Assets (as defined below) related to the water distribution systems in those portions of the subdivisions known as Mill Pond, Huntington Park, Ironstone and Southern Pines located in Lexington County, State of South Carolina ("Purchased Assets") as shown on attached Exhibit "A";

In consideration of the mutual covenants and representations herein contained, Seller and Purchaser agree as follows:

1. PURCHASE AND SALE

1.1 Purchase and Sale as to Seller. Subject to the terms and conditions of this Agreement, Seller hereby agrees to sell and convey to Purchaser, and Purchaser hereby agrees to purchase from Seller the following described assets:

- i. All of Seller's right, title and interest in:
 - a. All of the wells, pumps, pipes, connections, tanks, meters, and any and all other equipment used in connection with the operation, installation, and maintenance of the water distribution systems, including any utility easements.
 - b. All chemicals and miscellaneous supplies and items which are used for the benefit of the water distribution systems for said Purchased Assets.
 - c. All records, files, correspondence, invoices, computer software, business forms, operating manuals and other business records including (without limitation) electronic records and all supplier lists related to the assets referred to in 1.1(i).
 - d. All contracts and operating agreements, leases, licenses, permits and warranties related to the Permitted Assets desired to be assumed by Purchaser and more particularly described on Exhibit "B" attached hereto.

1.2 Conveyance. The Assets shall be conveyed pursuant to the terms more particularly described in that certain Deed and/or Bill of Sale and Assignment of Contract, as set forth in Exhibit C and Exhibit D.

2.
PURCHASE PRICE

2.1 Purchase Price. The purchase price (the "Purchase Price") for the Assets shall be Eighty-one Thousand Nine Hundred and no/100 (\$81,900.00) Dollars plus a gift conveyance of the Mill Pond System. The Eighty-one Thousand Nine Hundred and no/100 (\$81,900.00) Dollars is based on paying Three Hundred and no/100 (\$300.00) Dollars per service customer in said subdivisions totaling two hundred seventy-three (273) customers. Purchaser shall pay, at the time of execution of this Agreement, Earnest Money in the amount of One Thousand Five Hundred and no/100 (\$1,500.00) Dollars to be held in the Purchaser's attorney's trust account. The Earnest Money is to be applied towards the Purchase Price at Closing.

3.
INSPECTION

3.1 Inspection. Purchaser shall have the right, during a sixty (60) day period of time to investigate and contemplate the purchase of the Purchased Assets. During this period of time, Purchaser shall make an inspection and study in regards to the Property to determine whether, in Purchaser's sole discretion, the property is suitable for Purchaser's contemplated use. During the Inspection Period Purchaser, its agents, and contractors shall have the right to enter upon the property for the purpose of making such inspections and tests as Purchaser solely determines necessary to decide whether or not it wishes to purchase the Property in accordance with the terms of this Agreement. If Purchaser shall elect not to proceed with the purchase of the Property for any reason within its sole discretion, it shall notify Seller in writing prior to the end of the Inspection Period. Any Earnest Money paid by Purchaser shall be returned to Purchaser if the Purchaser decided not to purchase said Property. In the event that Purchaser does not duly render notice of its intention not to purchase property, it shall be deemed to have consented to the purchase of the Property in accordance with the terms of this Agreement.

4.
REPRESENTATIONS, WARRANTIES AND CONDITIONS TO CLOSING

4.1 Representations and Warranties of Seller. Seller hereby warrant, represent and covenant as follows:

- i. Organization and Good Standing of Seller. Seller is a South Carolina corporation duly organized, validly existing, and in good standing under the laws of the State of South Carolina. Seller has full corporate power and authority to carry on the Business and to own and operate its properties and Assets as presently owned and operated.
- ii. Authority of Seller. Seller has duly and validly taken all action necessary to approve and authorize the execution of this Agreement, and to consummate the transactions contemplated hereby. All shareholders and directors of Seller have been informed of, and have consented to, the

transactions contemplated hereby. The representative of Seller signing this Agreement has full power and authority to execute this Agreement in the indicated capacity and to consummate the transactions contemplated hereby. Neither the execution nor the delivery of this Agreement nor the consummation of the transactions contemplated hereby, nor the compliance with any of the terms and conditions hereof, will result in the breach by Seller of any of the terms, conditions, or provisions of any constitutive document of Seller, or any material indenture, mortgage, deed of trust, order, judgment, law or other contract, agreement or instrument to which it is bound, or constitute a default of such indenture, mortgage, deed of trust, order, judgment, law or other contract, agreement or instrument.

- iii. Compliance with Laws. To the best of Seller's knowledge, Seller is in substantial compliance with all laws, ordinances, and regulations that govern such Seller and present use of the Assets, the violation of which would have a material adverse effect on the Assets or the Business. All of the Assets sold hereunder substantially comply with applicable environmental, zoning, health, OSHA, consumer products, and fire safety regulations.
- iv. Title to Assets. At Closing, Seller, as sole owner of the Assets, will have and shall be entitled to convey to Purchaser, good, marketable and insurable title to the Assets.
- v. Consents. Subject to the consent of any third party that may be required in the contracts and leases to be assumed by Purchaser described in Exhibit B attached hereto, no consent of any third party is required in connection with Seller's transfer and assignment of the Assets to Purchaser hereunder, but all such consents that are required shall be delivered to Purchaser at Closing.
- vi. Litigation. There are no judicial or administrative actions or proceedings pending, or to the best of Seller's knowledge, threatened that question the validity of this Agreement or any transaction contemplated hereby or that relate to the Assets including but not limited to condemnation or bankruptcy proceedings, which if adversely determined would have a material adverse effect upon Seller's ability to enter into this Agreement or perform their respective obligations hereunder or upon the use, enjoyment, or value of the Assets.
- vii. Normal Course. Seller shall have operated the Assets in the normal and ordinary course of the corporation, and shall have paid or caused to be paid promptly when due all city, county and state ad valorem taxes and similar taxes and assessments and all utility charges and assessments imposed upon or assessed against the Assets prior to Closing.

Notwithstanding the above, all taxes and utility charges shall be prorated as of the Closing Date.

- viii. Creditors, Solvency, and Bankruptcy. Seller has no intent to hinder, delay, defraud, or avoid any obligation to any past, present or future creditor in the transactions contemplated by this Agreement. Seller is not insolvent as of Closing or will not be rendered insolvent as a result of the transactions contemplated hereby. Seller has not initiated nor intends to initiate with respect to itself as debtor, any proceeding under federal or any state's bankruptcy, insolvency or similar laws.
- ix. Liabilities, Payables and Taxes. Seller is current in the payment of all taxes, liabilities, and expenses relating to the Assets.
- x. Status of Assets. The Assets sold hereunder are in good working order and are generally in good repair.
- xi. No Adverse Conditions. There are no adverse conditions or circumstances that may interfere with Purchaser's use and enjoyment of, or opportunity to resell or encumber, any of the Assets.
- xii. Disclosures. To the best of Seller's knowledge, all information and data furnished by Seller to Purchaser with respect to the Assets will be materially true, correct, and complete, and not materially misleading.
- xiii. Representations and Warranties at Closing. Except as expressly otherwise permitted in this Agreement, the representations and warranties of Seller set forth in this Agreement shall be true at Closing as though such representations and warranties were made on such date, unless they reference a specific earlier date whereupon, at Closing, they shall be true as at the earlier date referenced.

5.

INDEMNITIES

5.1 Indemnification by Seller. The Seller agrees to indemnify and hold the Purchaser, its agents, shareholders, directors, officers, servants, employees and insurance carriers, harmless from all claims, costs, damages or liabilities, including reasonable attorney's fees, arising from Seller's conveyance of Purchased Assets prior to the Closing or arising from a breach of any representations, warranties or covenants contained herein.

5.2 Indemnification by Purchaser. The Purchaser agrees to indemnify and hold the Seller, its agents, servants, employees and insurance carriers, harmless from all claims, costs, damages or liabilities, including reasonable attorneys' fees, arising from Purchaser's conveyance

of the Purchased Assets subsequent to the Closing or arising from a breach of any representations, warranties or covenants contained herein.

6.

FIRE AND CAUSUALTY

6.1 Fire or Casualty. In case the Property herein referred to is destroyed wholly or partially by fire or other casualty, Seller shall give notice thereof to Purchaser as soon as possible in accordance with the Notice provision of Section 11.1 , and Purchaser shall have the option for ten (10) days after the effective date of notice of fire or other casualty, with an agreed adjustment in the Purchase Price, or of terminating this agreement and being repaid its Earnest Money.

7.

CLOSING

7.1 Closing. The closing (the "Closing") shall be held at the office of Nicholson, Davis, Frawley, Anderson & Ayer, LLC, located at 140 East Main Street, Lexington, South Carolina Within thirty (30) days after Purchaser closes the SCDHEC SRF loan referred to in contingency 7.8(i) (the "Closing Date") or other another date mutually agreed upon, in writing, by Seller and Purchaser.

7.2 Possession. Possession of the Assets shall be delivered to Purchaser upon Closing.

7.3 Proration. At Closing, pro-rations of income and expense and the apportionment of taxes shall be as follows:

- i. Any rent, income, or operating expense with respect to the Assets, if any, for the month in which the Closing occurs, and personal property taxes and other assessments with respect to the Assets for the year in which the Closing occurs, shall be prorated as of the date of Closing.

7.4 Closing Costs. Except as otherwise expressly provided herein, Seller shall pay for any preparation of Deed and/or Bill of Sale and any transfer taxes required by State law such as deed stamps. Purchaser shall pay all other closing costs. However, each side shall pay for their own attorney's fees and other professional fees in regards to the transaction.

7.5 Seller's Obligations at the Closing. At Closing, Seller shall deliver to Purchaser the following documents:

- i. Evidence of Authority. Copy of such documents and resolutions as may be acceptable to Purchaser, so as to evidence the authority of the person signing the Bill of Sale and other documents to be executed by Seller at the Closing.

- ii. Deed and/or Bill of Sale. The Deed and/or Bill of Sale executed by Seller assigning and conveying to Purchaser the Assets, in the form attached to this Agreement as Exhibit C.
- iii. Assignment of Contracts. The Assignment of Contracts in the form attached to this agreement as Exhibit D executed by Seller assigning to Purchaser all service contracts, equipment leases, licenses and permits related to the Business which shall be assumed by Purchaser, with consents from third parties, as required under the service contracts, equipment leases, licenses and permits.
- iv. Seller to provide current billing records for each customer served in said subdivisions.
- v. Seller to provide copies of all keys to the systems at closing, current log sheets and testing data for the systems.
- vi. Other Documentation. Such documents and instruments as may be required or as may be reasonable or necessary in the opinion of the Purchaser or its counsel to consummate and close the purchase and sale contemplated herein pursuant to the terms and provisions of this Agreement.

7.6 Purchaser's Obligations at the Closing. At the Closing, Purchaser shall deliver to Seller the following:

- i. Purchase Price. The Purchase Price, in the manner prescribed in Section 2.1 hereof.
- ii. Evidence of Authority. Such consents and authorizations as Seller may reasonably deem necessary to evidence authorization of Purchaser for the purchase of the Assets, the execution and delivery of any documents required in connection with Closing and the taking of all action to be taken by the Purchaser in connection with Closing; and
- iii. Other Documentation. Such documents as may be required or as may be reasonable or necessary in the opinion of the Seller or its counsel to consummate and close the purchase and sale contemplated herein pursuant to the terms and provisions of this Agreement.

7.7 Conditions Precedent to Purchaser Closing.

- i. Seller providing sufficient and adequate personnel to the Purchaser to review with the Purchaser's representative at least one day per water distribution system of the system's operating time in order to show

location of meters, valves and provide other system information as needed;
and

- ii. Seller provide written notice (which is required by Public Service Commission regulations) of potential sale of the systems and notice of public hearing to the customers a minimum of seven days prior to the Public Service Commission public hearing, copy of said notice to be provided to the Purchaser at the time of notice being given.

7.8 Contingencies.

- i. Closing by the Purchaser is contingent upon Purchaser closing a SCDHEC SRF loan;
- ii. Purchaser determining, in its sole discretion, that it is satisfied with the outcome of the public hearing to discuss the purchase of the water distribution systems before the Public Service Commission;
- iii. Approval from the Public Service Commission for the Purchaser to purchase the systems on terms satisfactory to the Purchaser, as determined in its sole discretion;
- iv. Seller obtaining appropriate legal documents to terminate the reversion clause set forth in Title to Water Systems in the title from Carolina Properties, Inc. of Lexington to AAA Utilities, Inc. recorded in Book 5173 at page 211, paragraph 7; and
- v. Purchaser determining, in its sole discretion, its satisfaction with the reservations set forth in the documents transferring ownership of water systems in the Purchased Assets to the Seller.

8.

DEFAULT

8.1 Default. The remedies of the Parties in the event of default are as follows:

(a) Purchaser's Default: In the event of default by Purchaser under the terms of this Agreement, including but not limited to Purchaser's failure to purchase the Property by said Closing date, Seller's sole remedy shall be the retention of Earnest Money and this agreement will terminate and will be null and void.

(b) Seller's Default: In the event of default by Seller under the terms of this Agreement, including but not limited to Seller's failure to sell the Property by said Closing date, Purchaser's remedy shall be in Purchaser's sole discretion to compel the sale by seeking specific performance of this Agreement, or alternatively to immediately receive reimbursement by Seller

for all reasonable and customary out of pocket expenses actually incurred by Purchaser in connection with this Agreement up to the date of default.

9.
SURVIVAL

9.1 Survival of Provisions. The provisions of this Agreement which are not fully executed through the Closing date of this transaction shall survive the Closing date and remain in full force and effect, enforceable by the Parties according to such terms.

10.
LIABILITIES

10.1 No Assumption of Liabilities. Purchaser does not assume and shall not be responsible for any debts, including without limitation current and long-term liabilities, contingent liabilities, worker's compensation claims, taxes, or other obligations, known or unknown, contractual, legal or otherwise, relating to the Assets. However, Purchaser will assume sole responsibility for all expenses of or liabilities arising from the Assets incurred from and after the Closing.

11.
MISCELLANEOUS

11.1 Notices. All notices, demands and requests which may be given or which are required to be given by either party to the other under this Agreement, and any exercise of a right of termination provided by this Agreement, shall be in writing and shall be deemed effective when either: (i) personally delivered to the intended recipient; (ii) three (3) business days after having been sent, by certified or registered mail, return receipt requested, addressed to the intended recipient at the address specified below; (iii) delivered in person to the address set forth below for the party to whom the notice was given; (iv) at noon of the business day next following after having been deposited into the custody of a nationally recognized overnight delivery service such as Federal Express Corporation, UPS, or Airborne, addressed to such party at the address specified below; or (v) immediately, if sent during regular business hours if sent by facsimile, telegram or telex, provided that receipt for such facsimile, telegram or telex is verified by the sender and followed by a notice sent in accordance with one of the other provisions set forth above. Notices shall be effective on the date of delivery or receipt, or, if delivery is not accepted, on the earlier of the date that delivery is refused or three (3) days after the date the notice is mailed. For purposes of this Section 7.1, the addresses of the parties for all notices are as follows (unless changed by similar notice in writing given by the particular person whose address is to be changed):

Seller: Joint Water and Sewer Commission
 Attn: Guy Schmoltze
 Post Office Box 2555
 Lexington, South Carolina 29071

Purchaser: AAA Utilities, Inc.
1019 Renord Circle
West Columbia, South Carolina

11.2 Entire Agreement. This Agreement, along with all Exhibits attached hereto, embodies the entire agreement between the parties relative to the subject matter hereof, and there are no oral or written agreements between the parties, nor any representations made by either party relative to the subject matter hereof, which are not expressly set forth herein.

11.3 Amendment. This Agreement may be amended only by a written instrument executed by the party or parties to be bound thereby.

11.4 Headings. The captions and headings used in this Agreement are for convenience only and do not in any way limit, amplify, or otherwise modify the provisions of this Agreement.

11.5 Time of Essence. Time is of the essence of this Agreement; however, if the final date of any period which is set out in any provision of this Agreement falls on a Saturday, Sunday or legal holiday under the laws of the United States or the State of South Carolina, then, in such event, the time of such period shall be extended to the next day which is not a Saturday, Sunday or legal holiday.

11.6 Governing Law. This Agreement shall be governed by the laws of the State of South Carolina.

11.7 Successors and Assign; Assignment. This Agreement shall bind and inure to the benefit of Seller and Purchaser and their respective heirs, executors, administrators, personal and legal representatives, successors and assigns.

11.8 Invalid Provision. If any provision of this Agreement is held to be illegal, invalid or enforceable under present or future laws, such provision shall be fully severable; this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Agreement, and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by such illegal, invalid, or unenforceable provision or by its severance from this Agreement.

11.9 Attorneys' Fees. In the event it becomes necessary for either party hereto to file suit to enforce this Agreement or any provision contained herein, the party prevailing in such suit shall be entitled to recover, in addition to all other remedies or damages, as provided herein, reasonable attorneys' fees, paralegal fees and costs incurred in such suit at trial, appellate, bankruptcy and/or administration proceedings.

11.10 Multiple Counterparts. This Agreement may be executed in a number of identical counterparts which, taken together, shall constitute collectively one agreement; but in making


proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart duly executed by the party to be charged.

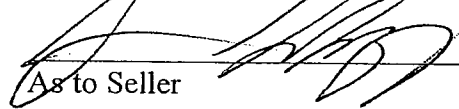
11.11 Exhibits. All of the following exhibits attached to this Agreement, are incorporated into this Agreement and made a part hereof:

- i. Exhibit A, the Description of Water and Distribution Systems;
- ii. Exhibit B, the Deed and/or Bill of Sale; and
- iii. Exhibit C, the Assignment of Contracts

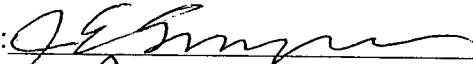
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by persons duly empowered to bind the parties to perform their respective obligations hereunder the day and year set forth beside their respective signatures.

WITNESSES:




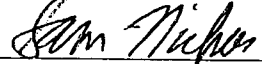

As to Seller

AAA UTILITIES, INC.


By: 
Its: Pres.

DATE OF EXECUTION: _____




As to Purchaser

JOINT MUNICIPAL WATER AND SEWER
COMMISSION

By: 
Its: General Manager

DATE OF EXECUTION: 3/18/09

AAA UTILITIES, INC.
3071 HWY 6
LEXINGTON, SC 29073
803-755-1203

RATES TO
REMAIN SAME
FOR 1 YEAR.

SCHEDULE OF RATES AND CHARGES

WATER

HUNTINGTON PARK, IRONSTONE, MILLPOND, SHEALY
ESTATES AND SOUTHERN PINES

1. Monthly Charges

Residential, Commercial, and Irrigation

Base Facilities Charge
By Meter Size

5/8" x 3/4" Meter \$ 7.50

Commodity Charge: \$ 2.40 per 1000 gallons

ALL WATER CUSTOMERS

1. Nonrecurring Charges

Existing Water Tap-In Fee(New Connections Only)
A. 5/8" x 3/4" Meter \$500.00

2. Account Set-Up Charges

1. Customer Account Charge
New Customers Only \$20.00
A one-time fee to defray the cost of initiating service

3. **Late Penalty Charge**

Company may charge a late penalty up to the maximum amount allowed by applicable South Carolina and/or Office of Regulatory Staff rule.

4. **NSF Check Charge**

Company may charge a NSF check charge up to the maximum amount allowed by applicable South Carolina Statute and/or Office of Regulatory Staff rule.

5. **Billing Cycle**

Recurring charges will be billed bi-monthly in arrears. Nonrecurring charges will be billed and collected in advance of service being provided.



January 20, 2009

Mr. Ed Swearingen
AAA Well Drilling
3071 Highway 6
Lexington, South Carolina 29073

Re: AAA Utilities
Well Systems


Dear Ed:

As we discussed, it will be your responsibility to receive approval from the Public Service Commission in order to receive their approval of the Commission's purchase of the four well systems. For your information we have enclosed a copy of the Commission's current rate structure. It should be noted that the Commission will agree to hold your current rate structure for a period of one year or until the customers are supplied by water from the Commission's distribution system (whichever occurs latter). We request that you set up this hearing as soon as possible.

Should you have any questions, please give us a call at 359-8373.

Sincerely,

JOINT MUNICIPAL WATER & SEWER COMMISSION



Guy Schmoltze, P. E.
Staff Engineer

Cc: Betsy Catching, AEC
Steve Mann, JMWSC

Joint Municipal Water
and
Sewer Commission
Schedule of Rates
Effective January 1, 2009

<u>Monthly Maintenance Fees (according to meter size)</u>			
Meter Size	Water Only	Sewer Only	Two Services
3/4"	6.96	6.96	13.92
1"	15.31	15.31	30.62
1 1/4"	29.17	29.17	58.34
1 1/2"	29.17	29.17	58.34
2	45.80	45.80	91.60
3	90.20	90.20	180.40
4	140.15	140.15	280.30
6	278.88	278.88	557.76
8	445.35	445.35	890.70

<u>Volume Charges per Thousand Gallons for Water/Sewer</u>			
	Water Charge	Sewer Charge	
Residential	4.54	4.58	\$45.80 Max for sewer (Max 10,000 gallons)
Commercial	4.67	4.71	
Industrial	4.32	4.36	

<u>Cross Connection Control</u>	
Backflow Protection Fee (Residential - per month)	\$ 5.50

<u>Fire Protection Charges</u>	
Hydrant Fee (Residential - per month)	\$ 3.00
Hydrant Fee (Commercial - per on-site hydrant per month)	\$ 3.00
Sprinkler Heads (per sprinkler head - maximum charge of 500 heads)	\$ 0.40
Fire Line Connection Charge per inch	\$ 946.00
Dedicated Fireline (Hydrant only)	\$ 2,000.00

AAA Utilities, Inc. (MP)

3071 Hwy 6

Lexington, SC 29073 803-755-1203

Billing Date	3/10/09 3/10/2009	Delinquent After	Ac:
		4/4/2009	

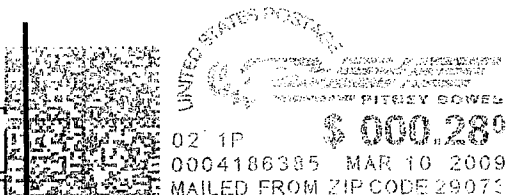
Service Addr: 100 WANDO CIRCLE
From: 1/7/2009 707000
To: 3/10/2009 713000
Consumption: 6000

Previous Balance \$29.70
Late Payment Fee \$1.00
Basic + Usage \$29.40
DHEC FEE \$5.10

Total Taxes \$0.00

Total Amount Due \$65.20

CUST SERV HRS 9AM-4PM 755-1203
CCR'S AVAIL UPON REQUEST



Please Detach Stub and Return with Payment

Billing Date	Account Number	Amount Due
3/10/2009		\$65.20

GATLIN, MICHAEL
100 WANDO CIRCLE
LEXINGTON, SC 29073



AAA UTILITIES, INC.
WATER CUSTOMER BREAKDOWN
SCHEDULE

SUBDIVISION	Customers	Type
Huntington Park	191	Residential
Ironstone	48	Residential
Millpond	66	Residential
Shealy Estates	20	Residential
Southern Pines	32	Residential
Totals	<u>357</u>	



**JOINT MUNICIPAL
WATER AND SEWER COMMISSION**
P.O. BOX 2489
LEXINGTON, SC 29071-2489
(803) 359-8373

REMITTANCE STUB
MAKE CHECKS PAYABLE TO: JMW&SC

Amount Enclosed:

ANGELA ADDY
125 CONDOR RTE
LEXINGTON, SC 29073-8927

Customer Account :

Total Amount Due:

Invoice Date :

Due Date:

Total After Due Date :

2/24/2009

3/15/2009

\$61.86

☐ CHECK HERE FOR ADDRESS CHANGE AND COMPLETE REVERSE SIDE.

PLEASE SEPARATE REMITTANCE STUB AT THIS PERFORATION AND RETURN WITH PAYMENT

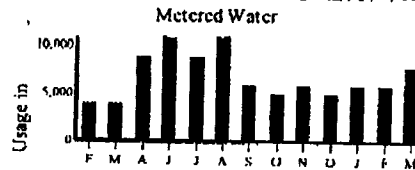
Customer Account:

Invoice Date:

Due Date:

2/24/2009

3/15/2009



PREVIOUS BALANCE FORWARD :

PAYMENT RECEIVED :

BALANCE FORWARD :

71.64

(85.00)

(13.36)

CURRENT CHARGES : 125 CONDOR RT

Metered Water :

Readings :	02/03 Actual	01/06 Actual	28 Days Used
	230000	224000	6000

.75" Maint Fee

S.75" Swr Maint

Wtr - Residential

Swr-Resid-Mtr

6.96

6.96

27.24

27.48

Non-Metered :

Readings :	Actual	Actual	0 Days Used
	-	-	0

Hydrant Fee - Res

3.00

TOTAL CURRENT CHARGES :

71.64

TOTAL AMOUNT DUE : ⇒

58.28

Visit us online to pay your bill at www.lcjmws.com.

P.O. BOX 2489 - LEXINGTON, SOUTH CAROLINA 29071-2489